



# Krones Q3 2024

Conference Call November 05, 2024

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Christoph Klenk, CEO

Uta Anders, CFO

# Krones with a successful Q3 2024; Revenue and profitability increased again; Key figures are full in line with targets for 2024



**Order intake** in first nine months 2024 at €4.1 billion as a result of strong market demand. In Q3 2024 order intake was slightly above Q2 2024. Despite critical overall economic conditions, the willingness of our customers to invest remains good.

**Order backlog** with a book-to-bill ratio of 1.06 increased further to €4.4 billion or 6.6% above previous year (31.12.2023). This leads to a stable capacity utilization till end of 2025. The book-to-bill ratio is expected to be slightly above 1x in 2024.

**Revenue** growth in Q3 2024 by 13.2% yoy, after first nine months 2024 revenue growth with 11.2% is in line with revenue guidance for full year 2024.

With a strong operating cash flow in the first nine months 2024 the **free cash flow** (w/o M&A) improved significantly by €311 million to €145m

**ROCE**, as the third target figure, increased from 17.5% to 18.3% and is the range of our expectations for FY 2024 (17% to 19%).

**EBITDA margin** after 9 months increased from 9.5% to 10.1% and is fully in line with our margin target for the full year. EBITDA in third quarter increased yoy by 22% and results in a margin of 10.2%

**EBT margin** increased in nine months 2024 to 7.1% vs. 6.8% prior year

**Targets for 2024** include the effects of the acquisition of Netstal.

For 2024 the **revenue target** is **9% to 13%**.

With the expected profitable growth, the **EBITDA margin target** for 2024 is **9.8% to 10.3%**.

For the third key figure, the **ROCE**, Krones plans a range of **17% to 19%** in 2024.

**Mid term targets 2028** with revenue around 7.0 billion and an EBITDA margin of 11% to 13% are published. ROCE expected >20%.

# Krones highlights Q1 – Q3 2024



**€4.12** billion

**Order intake**

(PY €4.11 billion)

**+11.2%**

**Revenue**

€3,875 million

**10.1%**

**EBITDA margin**

(PY 9.5%)

**+€145** million

**Free cash flow**

w/o M&A

(PY -€166 million)

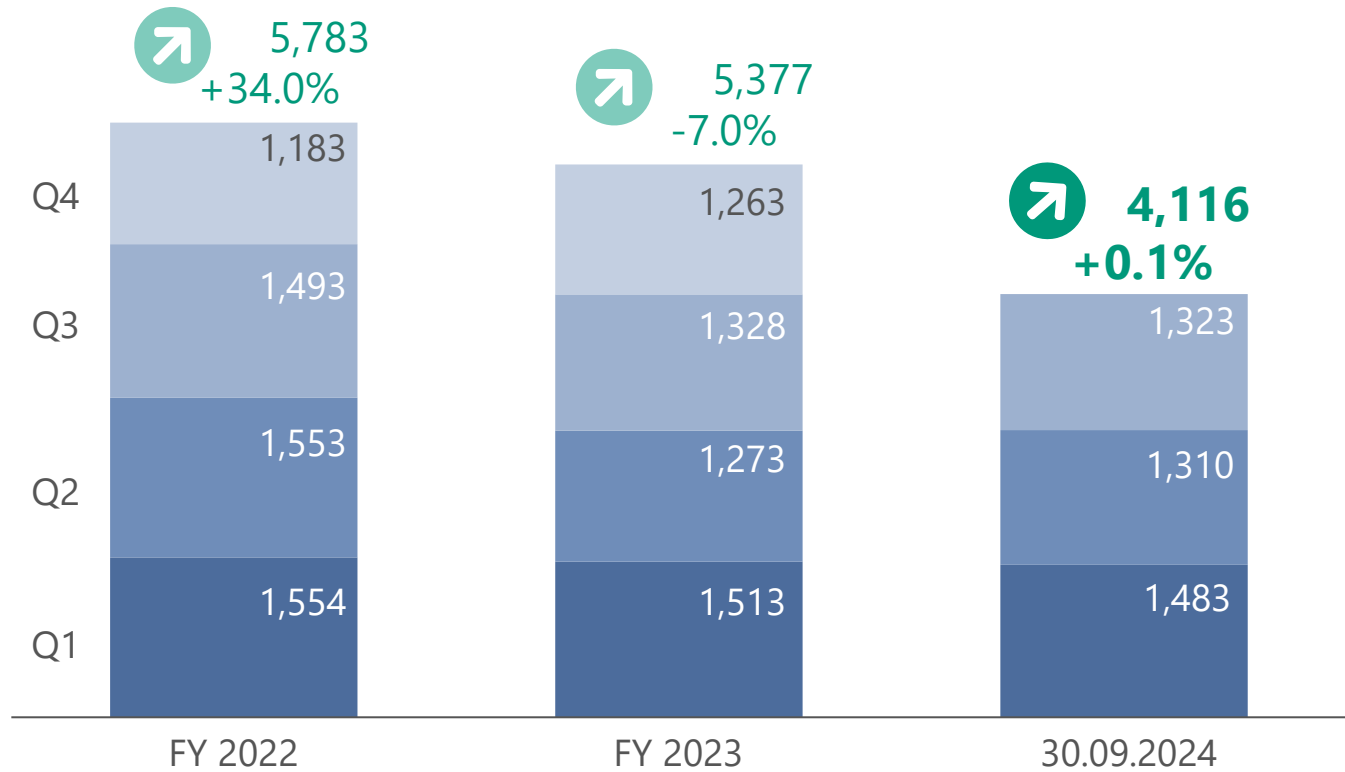
# Order intake (€ million)



**Market demand in the filling and packaging industry is robust and pipeline is full.**

- The Q3 2024 **order intake** was almost on the same high level as prior year
- In the first 9 months 2024 the value of orders was at €4.12 billion, i.e., 0.1% above the strong level of 2023
- The order intake forecasted for the FY 2024 results in a book-to-bill ratio slightly above 1x.

Order intake (€ million)



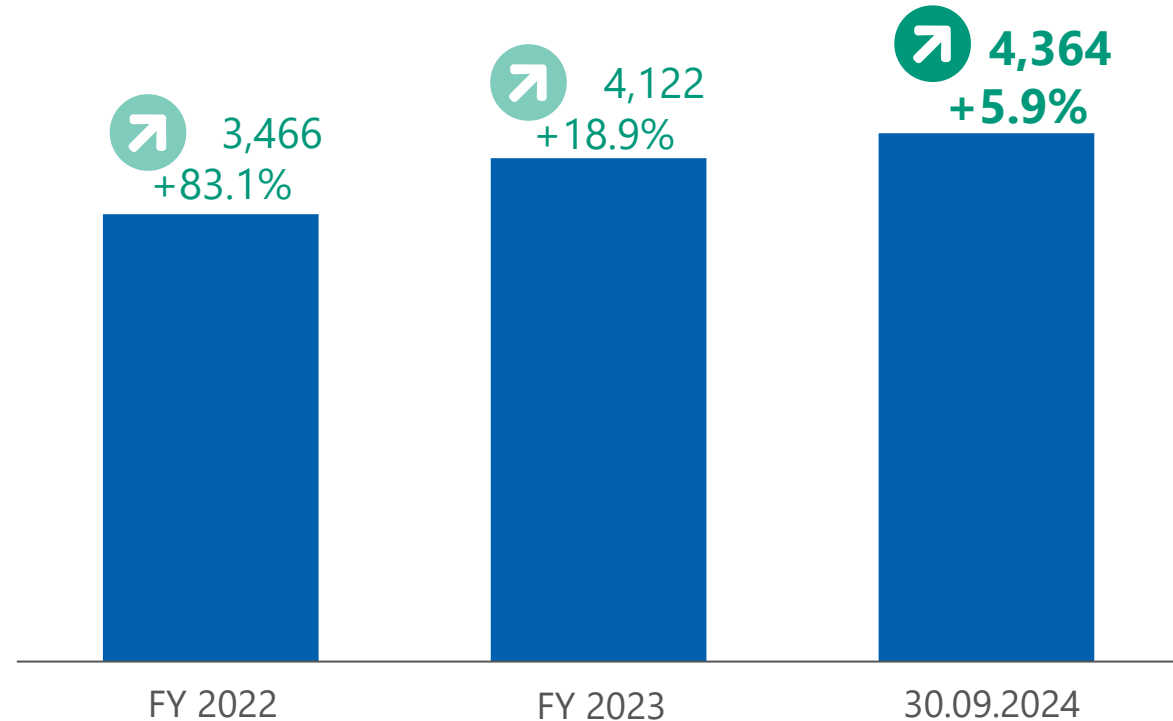
**The high order intake of Krones reflects the resilient and growing market in the beverage filling and packaging industry**

# Order backlog (€ million)



- As forecasted, the **book-to-bill ratio** was 1.1x in the first 9 months 2024
- As a result, the order backlog continued to rise despite strong revenue growth (11.2%) in the first nine months
- **Order backlog** of €4.4 billion increased by 5.9% compared to end of 2023 (€4.1 billion), an increase of 6.6% compared to prior year
- **Delivery times** improved since the beginning of the year from 70 to 50 weeks

Order backlog (€ million)



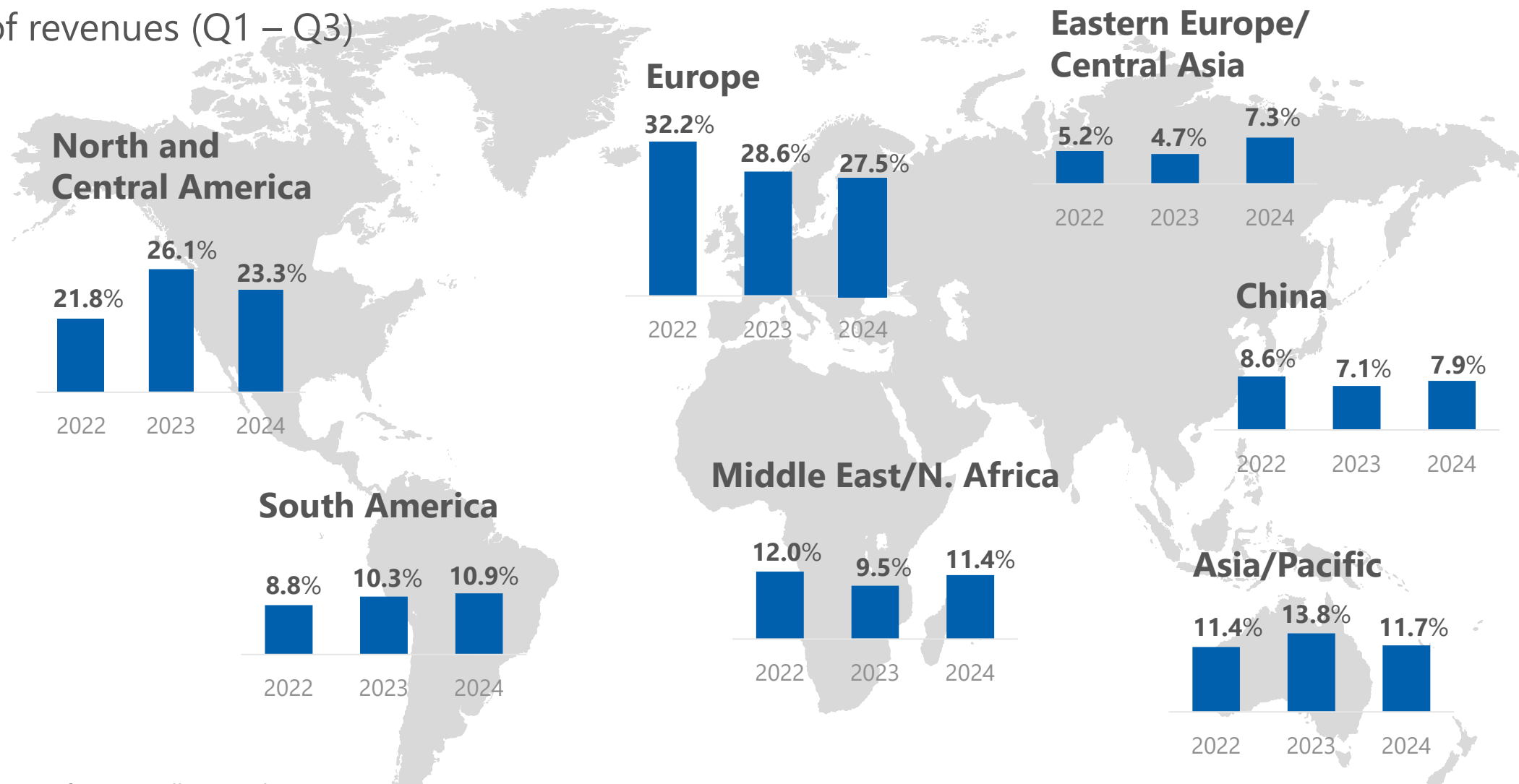
**High order backlog utilizes production until end of 2025**

**This offers Krones a high degree of financial visibility in a challenging global economic situation**

# The well-balanced **revenue split** in industrialized (51%) and emerging markets (49%) reflects the **strong resilience of Krones**



Share of revenues (Q1 – Q3)

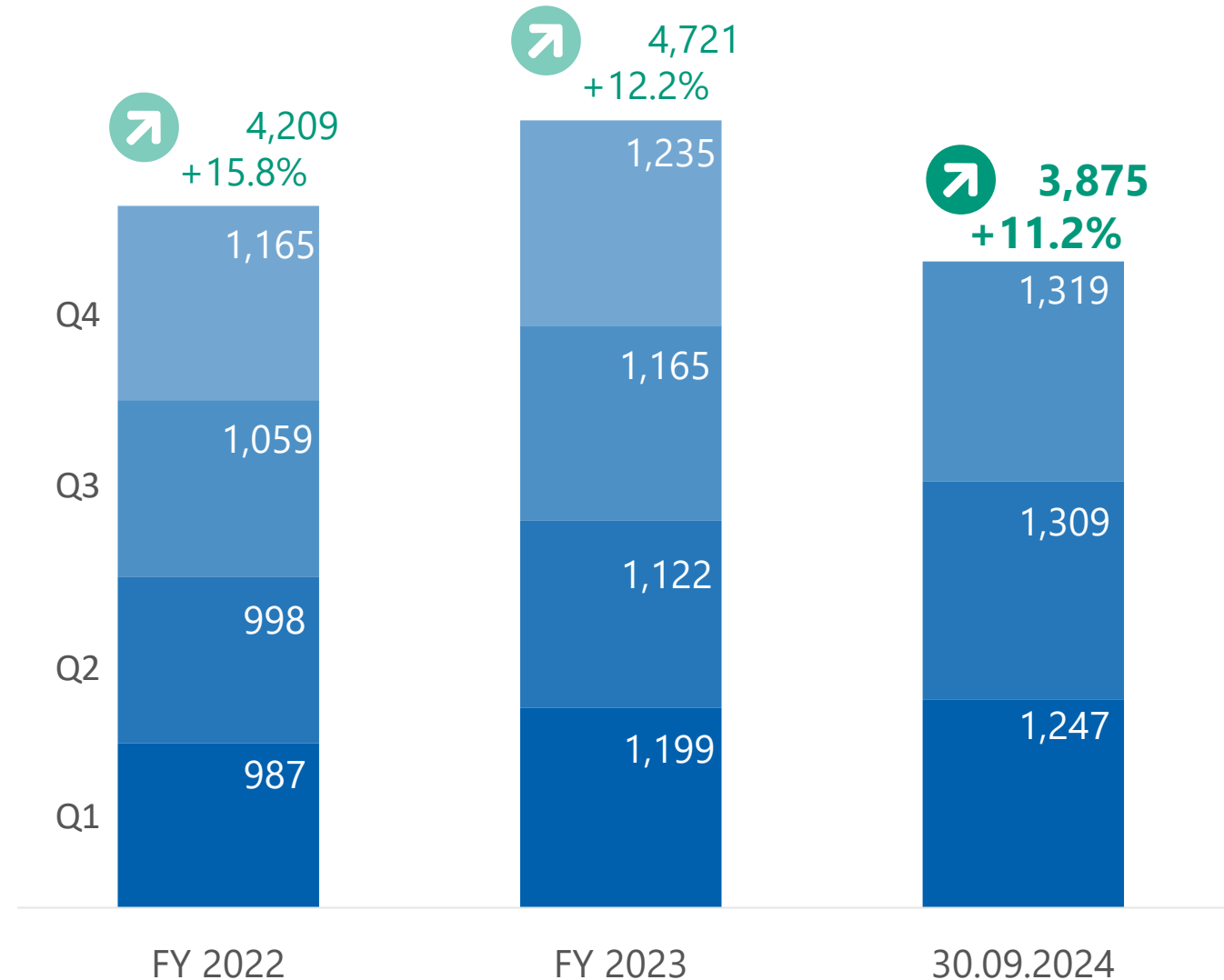


# Revenue development by quarter (€ million)



## Krones' strong revenue growth continued in the third quarter (+13.2%).

- After nine months 2024 growth at 11.2% was thus within the range of 9% to 13% forecast for 2024
- The acquisition of Netstal (closed end of March) had a positive impact on the year to date figures; but even without Netstal, growth in Q3 was in the range of the forecast 9 to 13%
- Supply chain shortages have eased further in 2024
- Mid-term target for 2028 is around €7.0 billion

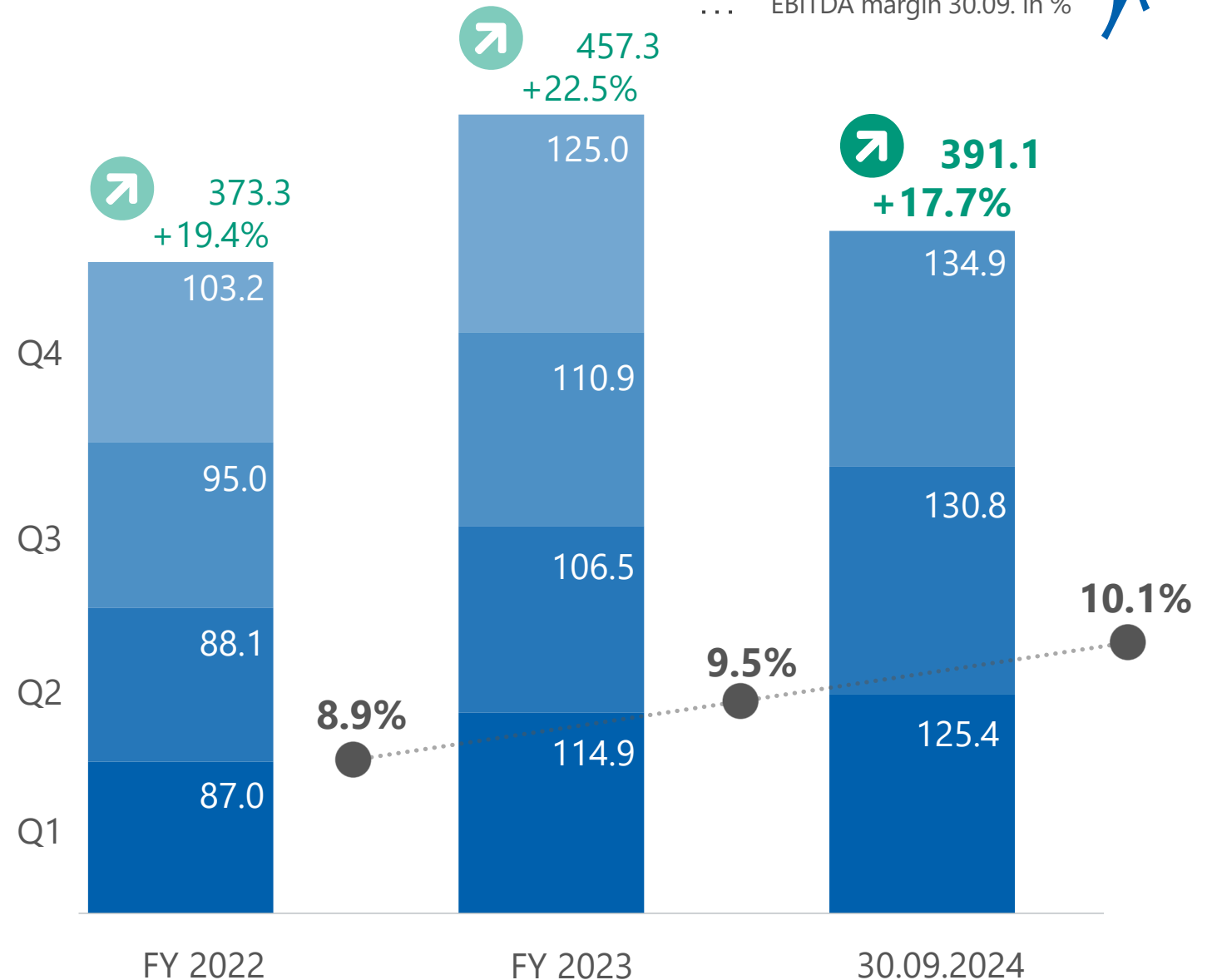


# EBITDA and EBITDA margin further improved (€ million and %)



## EBITDA margin at 10.1% with EBITDA at €391 million (+18%)

- Despite of higher personnel- and material costs EBITDA continued to improve by 18% and thus represents the profitable growth of Kronos
- EBITDA margin after 9 months increased from 9.5% to 10.1% and is fully in line with our margin target for the full year (9.8% to 10.3%)
- EBITDA in third quarter increased yoy by 22% and results in a margin of 10.2%
- The mid-term target for 2028 for the EBITDA margin is 11% to 13%



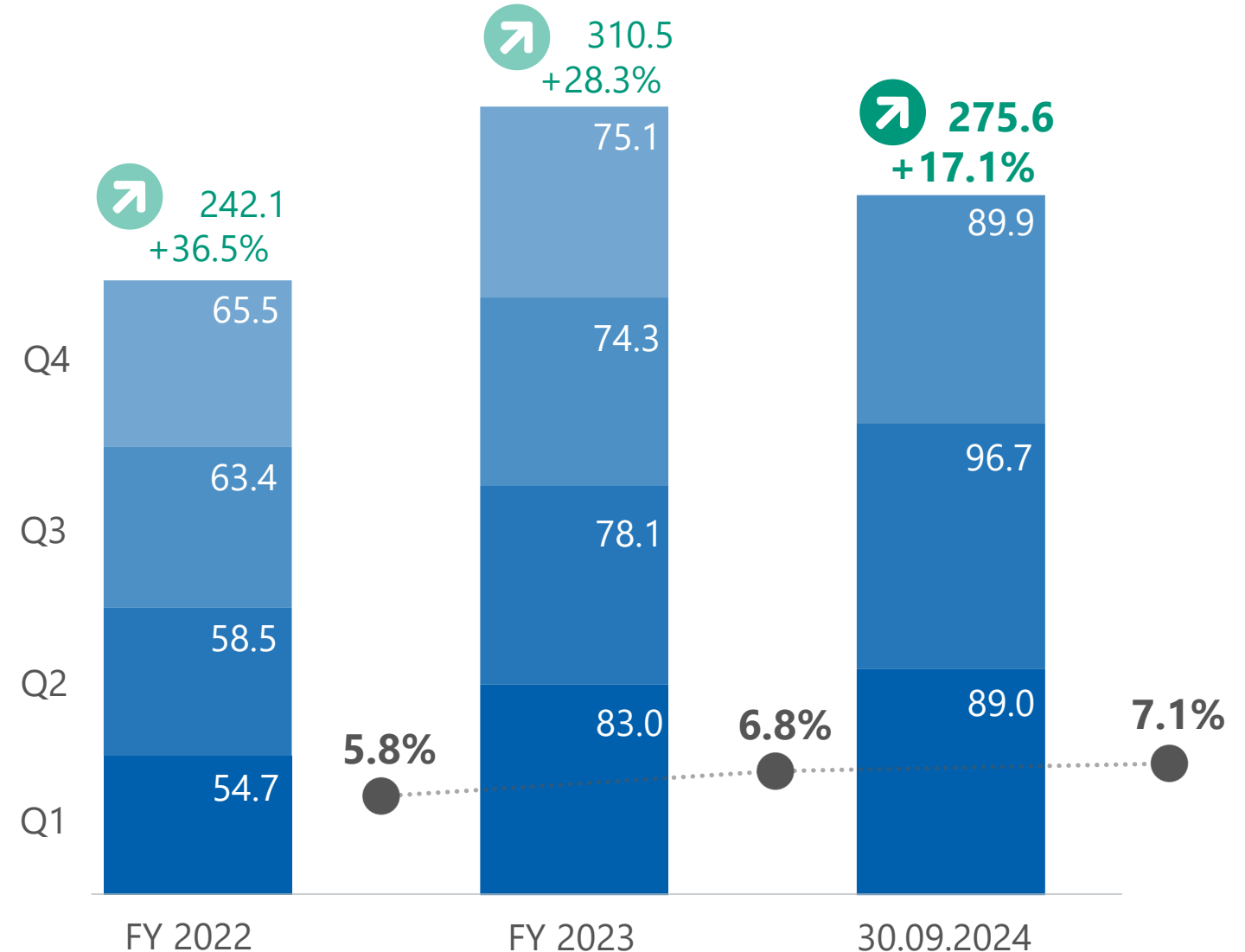


# EBT and EBT margin by quarter (€ million and %)



## EBT margin increased in nine months 2024 to 7.1% vs. 6.8% prior year

- After 9 months in 2024 EBT also increased by 17% up to €276 million and a EBT margin of 7.1%
- EBT was influenced by a financial income of €7.2 million – with a minor extraordinary effect (€4.5 million) posted in Q2 2024
- EBT margin is in line with expectations for 2024



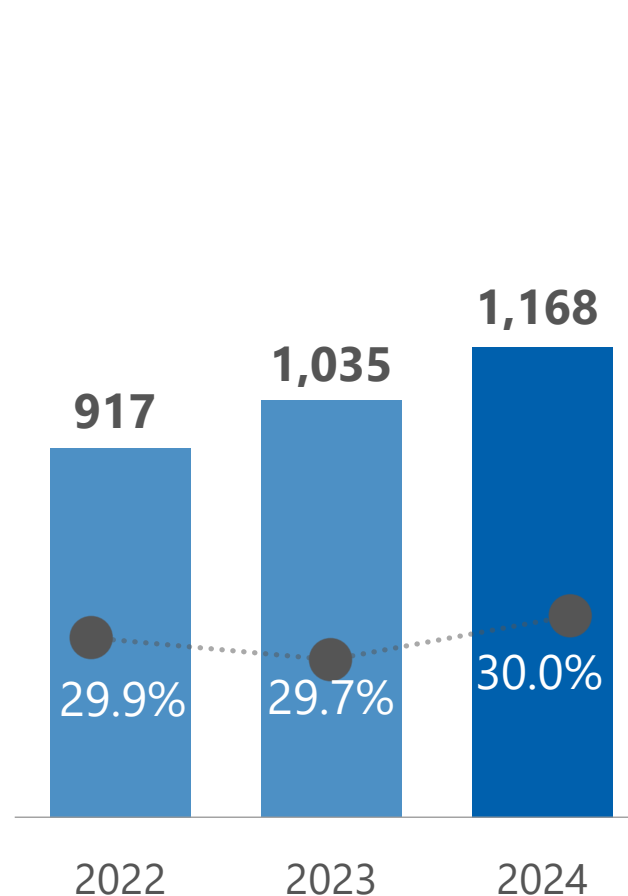
# Personnel and material expenses Q1 – Q3 (€ million and %)



- Personnel costs increased by 15% as a result of increasing number of employees (+9.7%) in the last 12 months. Also wages and salaries raised but all in all the **personnel cost ratio** increased just slightly yoy and remains stable at 30%-level
- **Material cost ratio** decreased from 50.6% to 49.1% in 9 months 2024 despite a higher growth in new equipment (which is more material intensive than after-sales business) and so remains stable the last 3 quarters below 50%

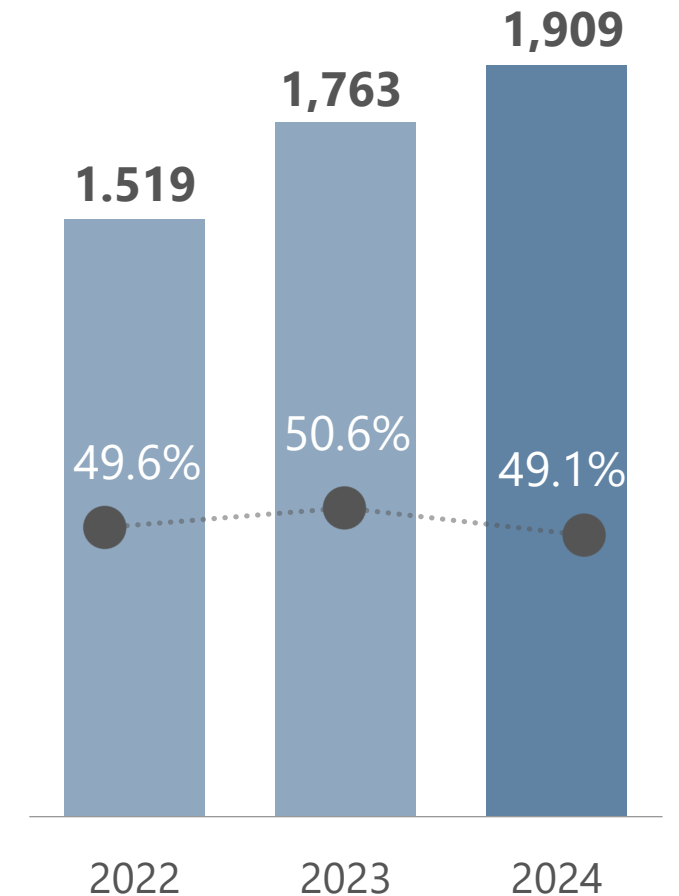
Cost increases in both cost categories are and will be compensated by the implemented price increases (August 2021 and April 2022)

**Personnel costs Q1 – Q3 (€ million)**



Personnel expenses to total performance (%)

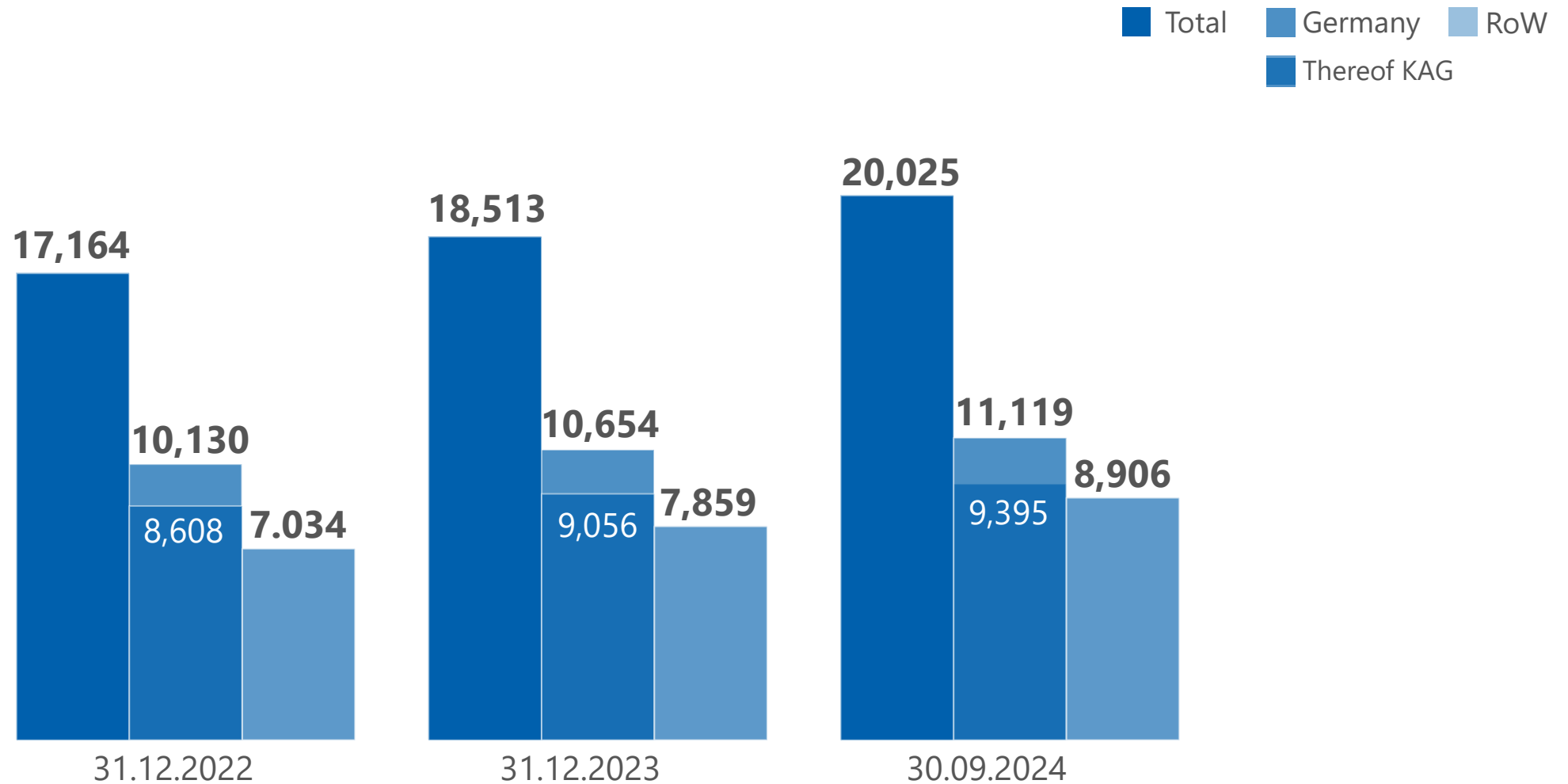
**Material costs Q1 – Q3 (€ million)**



Material expenses to total performance (%)

# Krones employees worldwide –

Growth in Germany in 9 months 2024 (+4.2%) also includes hiring of service engineers and trainees; a further growth in the RoW (+11.8%) mainly related to M&A (Netstal)



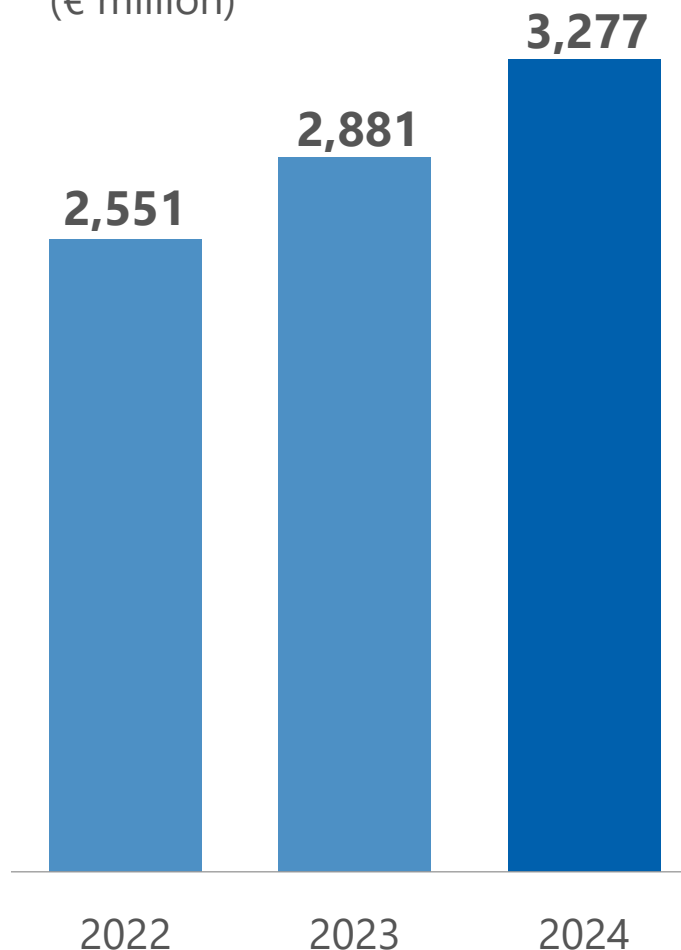
# Revenue and EBITDA per segment (1/3)



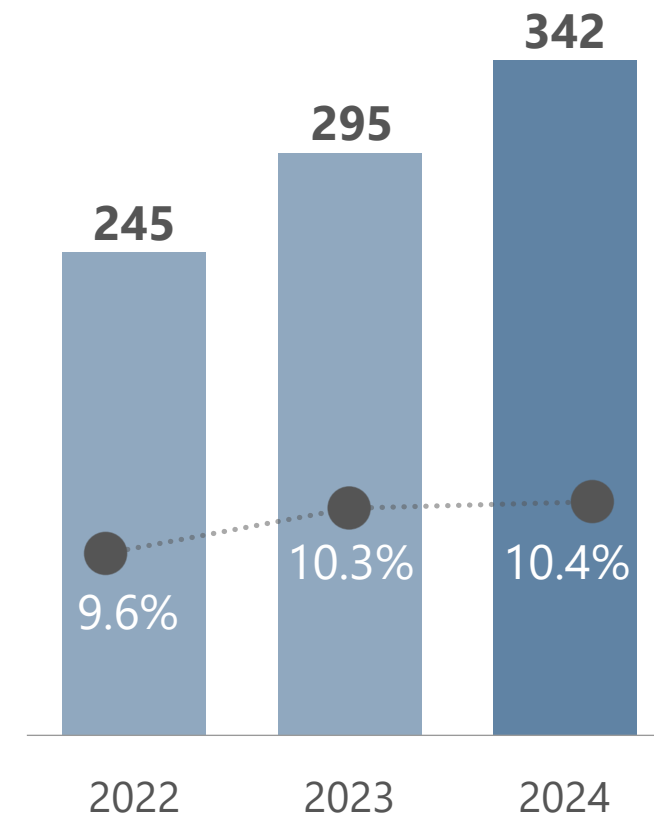
## Filling and Packaging Technology

- **Revenue growth** (+13.8%) is above the growth of the group and in line with the target 2024 (9% to 13%). Growth in Q3 2024 (+18%) compensated the weaker Q1 (4%).
- EBITDA increased by 16% in first 9 months 2024 and **EBITDA margin** was at 10.4% and so is in line with our expectations (target 2024: 10.3%-10.8%)
- **Netstal** is included in the segment since April 2024; also without Netstal revenue growth in Q3 would be above 13% with minor margin effect and so is in line with our expectations (target 2024: 10.3%-10.8%)

Revenue development Q1 – Q3  
(€ million)



Segment EBITDA (€ million) and  
EBITDA margin (%) Q1 – Q3



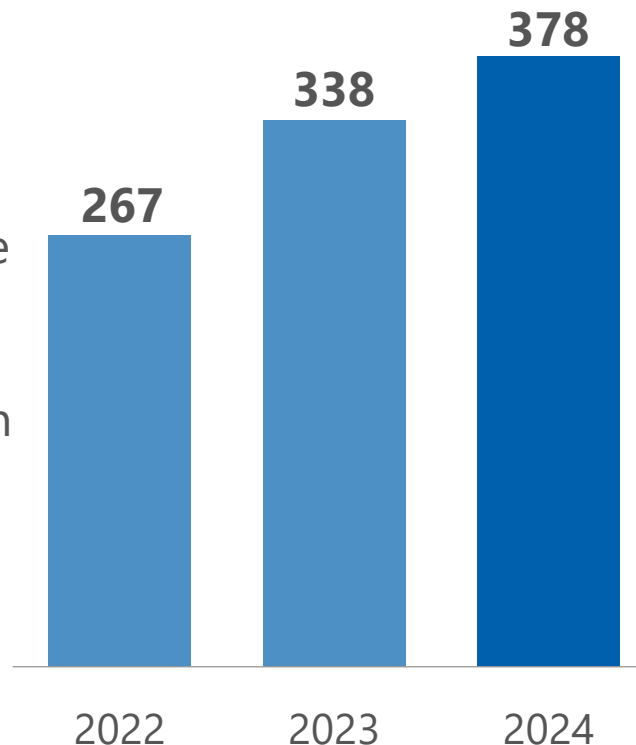
# Revenue and EBITDA per segment (2/3)



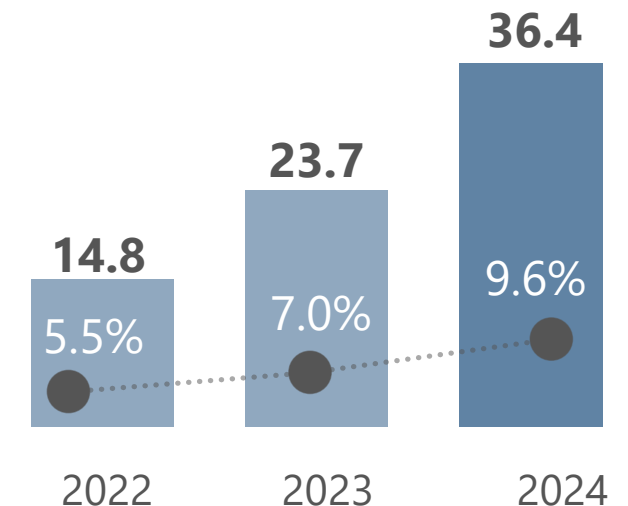
## Process Technology

- **Revenues** increased in the first nine months 2024 by 12%. After a good first half year 2024 (+19%) and a seasonally weaker Q3 we are fully in line with the growth target for full year 2024 (15% to 20%)
- **EBITDA margin** after nine months 2024 of 9.6% vs. 7.0% previous year reflects the strong positive operational development also of the component business in the segment; the margin of Q3 with 8.7% is in the margin target (8% to 9%)
- **Acquisition** of Ampco Pumps, US, (in June 2023) had positive impact on the segment figures

Revenue development Q1 – Q3  
(€ million)



Segment EBITDA (€ million) and  
EBITDA margin (%) Q1 – Q3



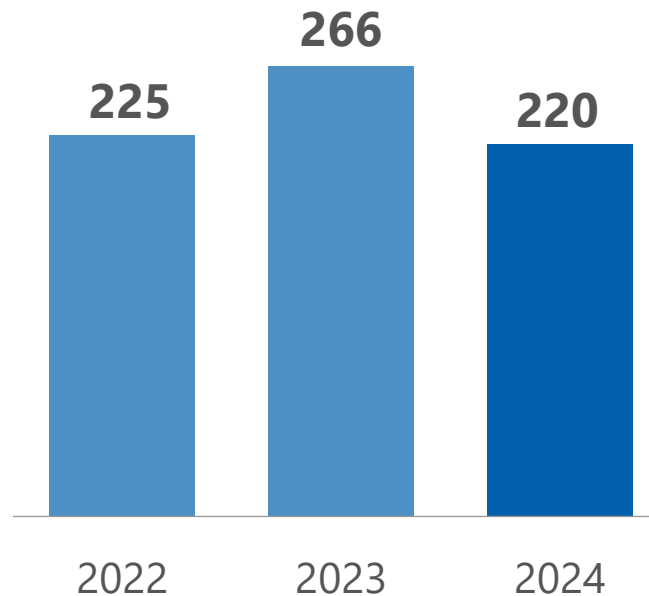
# Revenue and EBITDA per segment (3/3)



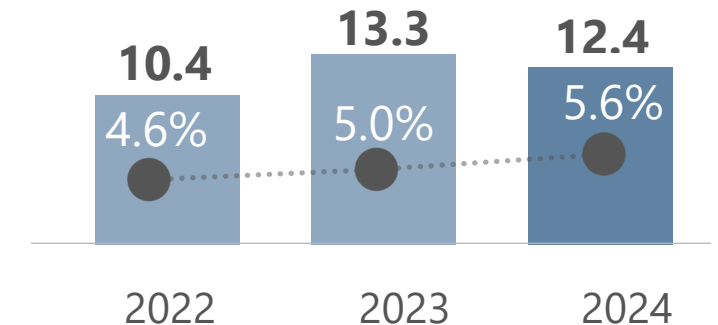
## Intralogistics

- **Revenue** decreased to €220 million in first nine months 2024 resulting from ambitious market conditions. The share of this segment in group sales is at 5.7%
- Based on an actual very good order intake with longer project durations it will be very ambitious to reach the lower end of the revenue target of 5% to 10% for 2024.
- **EBITDA margin** of 5.6% in first nine months 2024 is above prior year (5.0%). With a similar EBITDA margin in Q4 2024 as in Q3 2024 (7.4%) we confirm the ambitious margin target of 6% to 7%.

Revenue development Q1 – Q3  
(€ million)



Segment EBITDA (€ million) and  
EBITDA margin (%) Q1 – Q3

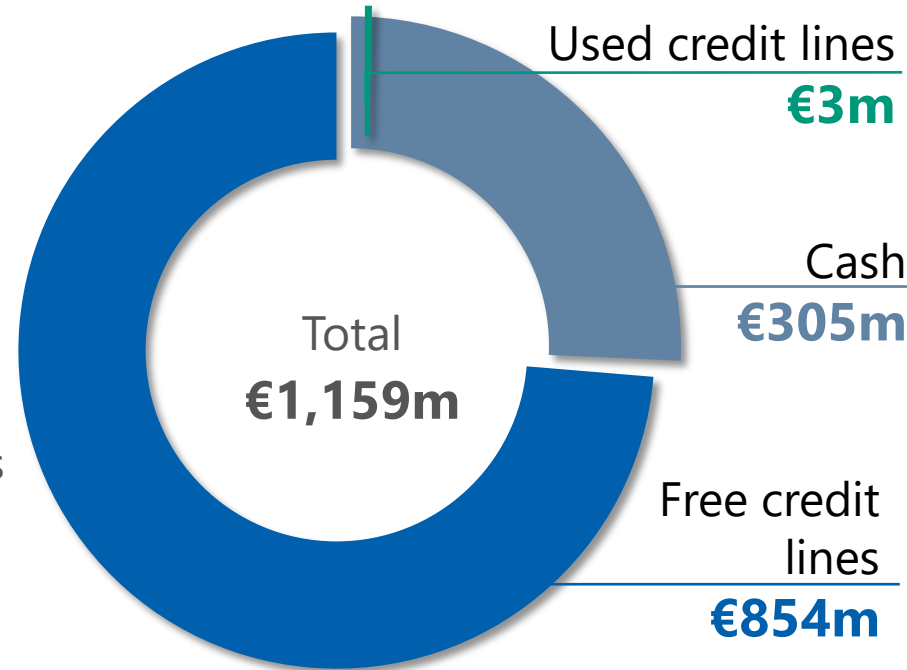


# Krones financially very strong; resilient capital position of Krones to withstand volatile world economy developments

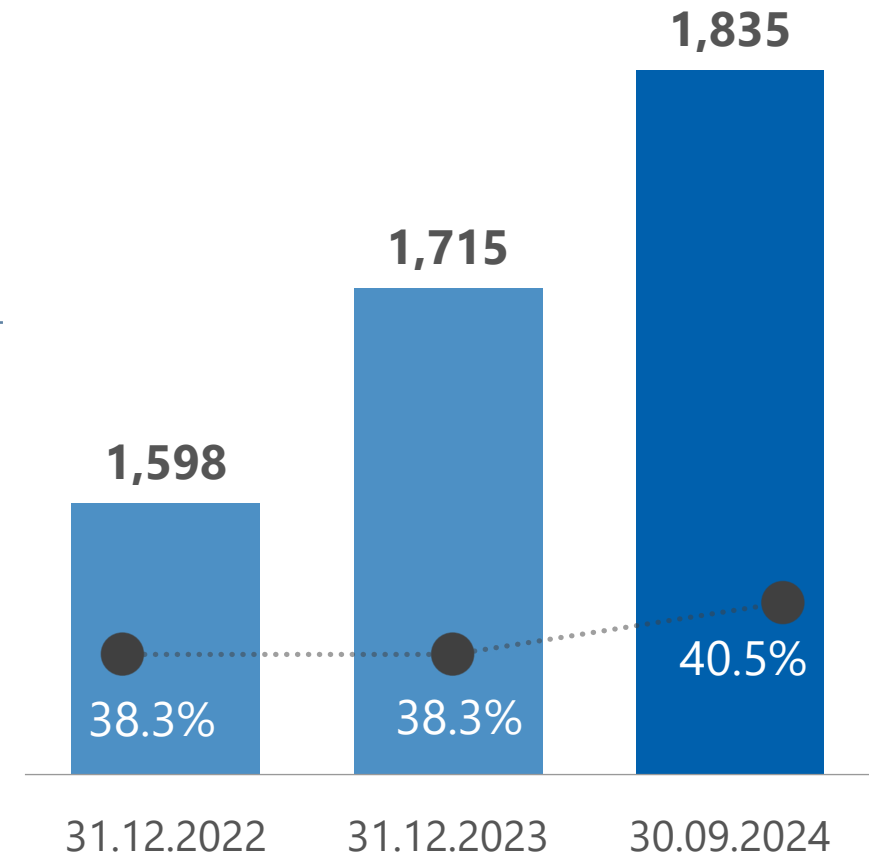


- Despite of payment for M&A activities (€179 million) and dividends (€70 million) **financial position** of Krones remains strong
- Including free credit lines of €854 million **liquidity reserves** result in € 1.2 billion
- Despite of payment for dividends and a further business activity in 9 months 2024 (+ 11.2% in revenues) the Equity increased by 7% or €120 million with an **equity ratio** of 40.5%

**Liquidity reserves  
30.09.2024**



**Equity (€ million) and equity ratio (in %)**



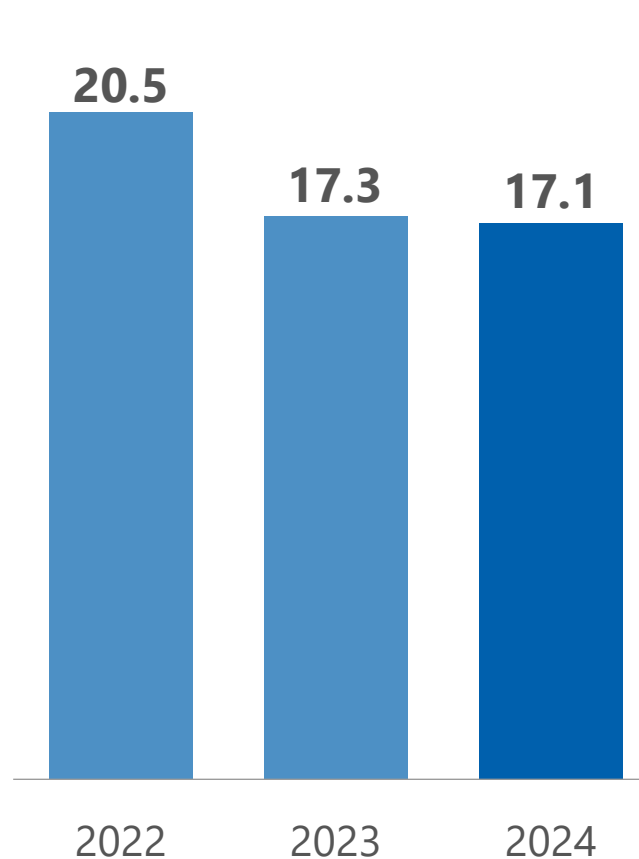
# Working Capital Q3 (in %)



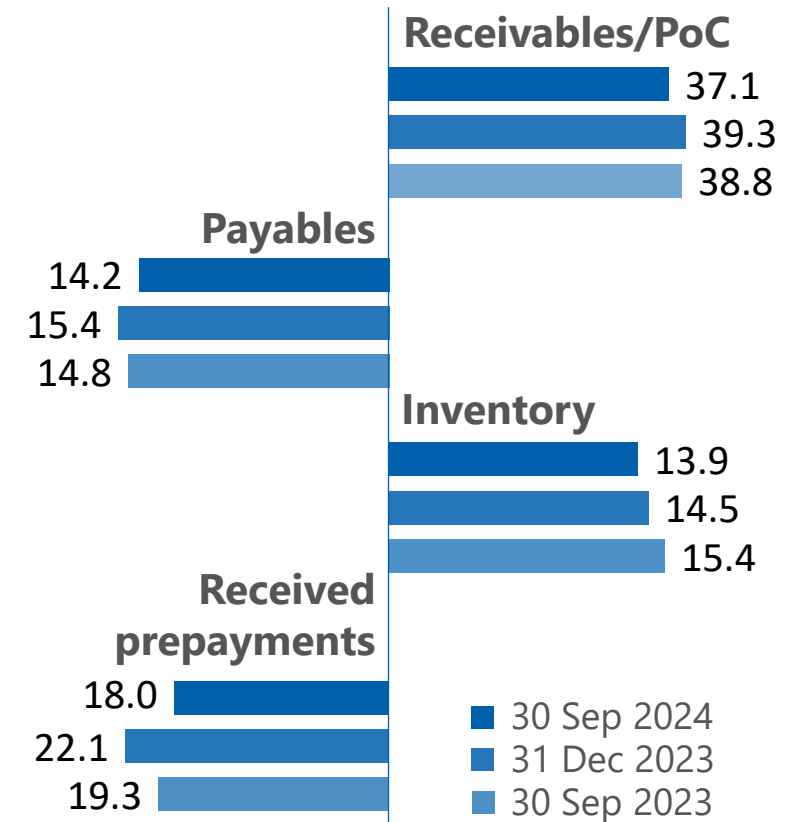
## Working Capital average is stable at 17.1% vs. 17.3%

- The **receivables/POC** decreased by 2.1% relating to the revenues. In Euro amount the increase (+1.9%) was below the revenue growth (+11.2%)
- The **inventory** also decreased slightly by 0.6% to revenues
- **Payables** decreased by 1.2% in percentage of revenues and 1.4% in Euro amount, despite the business activities are increasing
- The **prepayments** were decreasing by 4.1% relative to revenues. Both the decreasing of receivables/POC and prepayments based on an increased output in production

## Working Capital of revenue Q3 (% , average over four quarters)



## Part of Working Capital in % of revenue (last 12 months)





# Free cash flow Q1 – Q3



**With a strong operating cash flow in first nine months 2024 the free cash flow (w/o M&A) improved with €311 million significantly to €145 million**

- The positive development of the earnings compensated the increase in working capital by €188 million (prior year: increase of €344 million), thus cash flow from **operating activities** strongly increased to €233 million vs. -€105 million 9 months 2023
- **Investing activities** with €106 million are higher than prior year (€88 million) and with an investment ratio of 3.0% (prior year: 2.9%) as expected
- **Free cash flow** additionally impacted by M&A payments mainly for Netstal
- **Financing activities** include payments for dividend in an amount of €70 million and leasing (€32 million)

(€ million)	2024	2023
<b>Earnings before taxes (EBT)</b>	<b>275.6</b>	<b>235.3</b>
+/- Other non-cash changes	+166.7	+121.8
+/- Change in Working Capital	-188.1	-343.7
+/- Other assets and liabilities	-21.7	-118.8
<b>Cash flow from operating activities</b>	<b>+232.5</b>	<b>-105.4</b>
+/- Capex	-106.2	-87.7
+/- Other	+18.7	+27.0
<b>Free cash flow w/o M&amp;A</b>	<b>+145.0</b>	<b>-166.1</b>
+/- M&A-Activities	-178.9	-114.5
<b>Free cash flow reported</b>	<b>-33.9</b>	<b>-280.6</b>
+/- Financing activities/Others	-109.4	-105.1
Net change in cash	-143.3	-385.7
<b>Cash at the end of period</b>	<b>305.1</b>	<b>288.8</b>

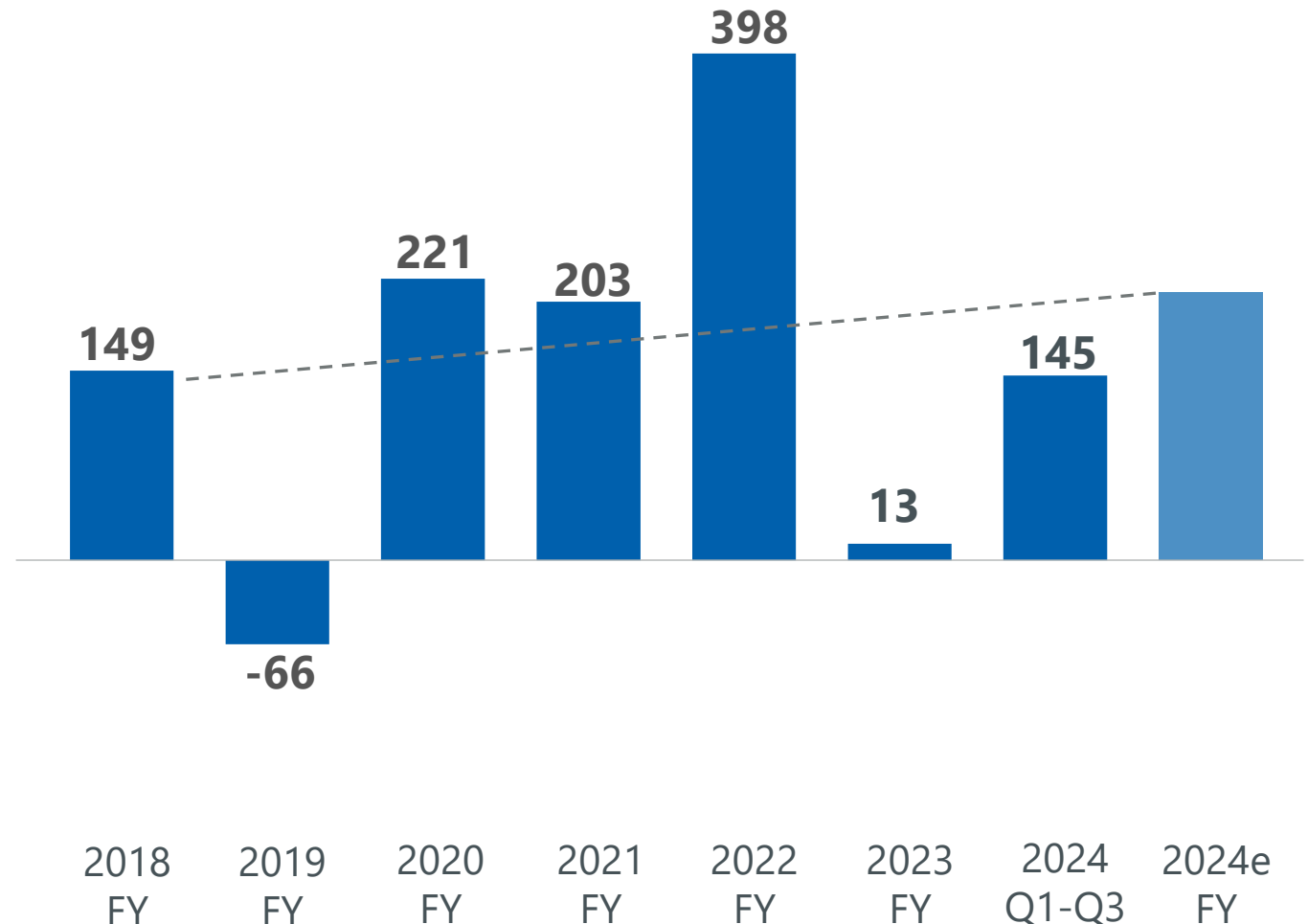
# Free cash flow



## Free cash flow and cash conversion rates of first nine months 2024 developed as expected

- The development of **free cash flow** normalized in first nine months 2024
- As a consequence of the high free cash flow after nine months in 2024 the **cash conversion rate** is on an expected level (72%)
- As expected, free cash flow after nine months 2024 was below Q1 2024 and should increase further in Q4 2024.

Free cash flow (without M&A) in € million

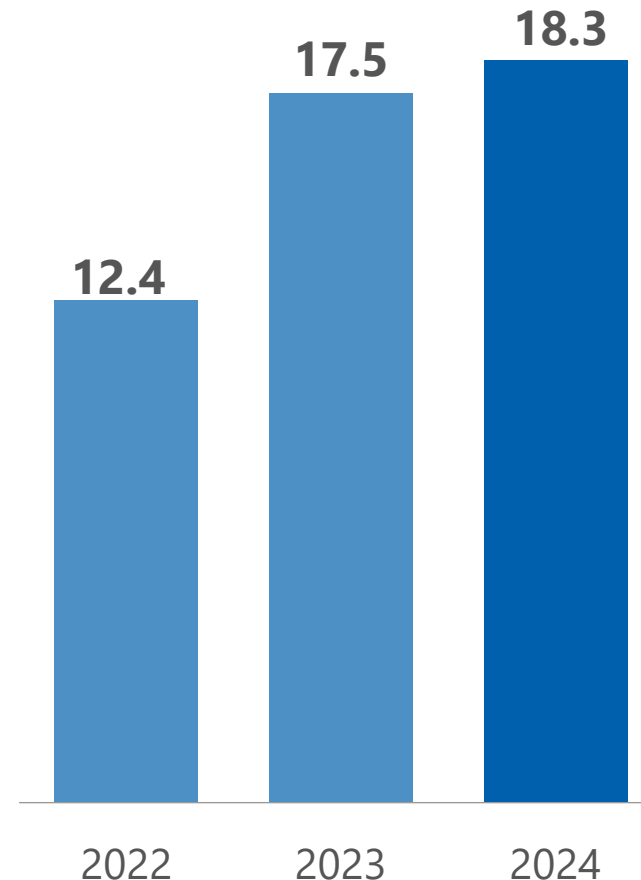


# ROCE



- **ROCE**, as the third target figure, is at 18.3% within our expectations for FY 2024 (17% to 19%) and better than 17.5% of 9 months 2023
- The positive development is mainly based on higher EBIT (+23%) after nine months 2024
- This increase in earnings will compensate the further growth in the average of working capital and the fixed assets developments
- For 2024 a target of 17% to 19% reflects the further profitable growth of Krones

**ROCE Q1 – Q3 2022 – 2024\* in %**



\* **ROCE without one-offs, goodwill and financial assets**



# Outlook 2024

## Krones Outlook 2024 –

further growth and improvement of profitability;  
All targets including the acquisition of Netstal



**9% – 13%**

**Revenue growth**

**9.8% – 10.3%**

**EBITDA margin**

**17% – 19%**

**ROCE**

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**There are various unpredictable factors that could affect the company's business processes and production. These include geopolitical risks in Europe, the Middle East and other parts of the world, as well as high inflation and interest rates in many countries. Material shortages and problems in global supply chains also remain a source of uncertainty.**

# Krones Outlook 2024 – Segment targets

(including the acquisition of Netstal in the core segment)

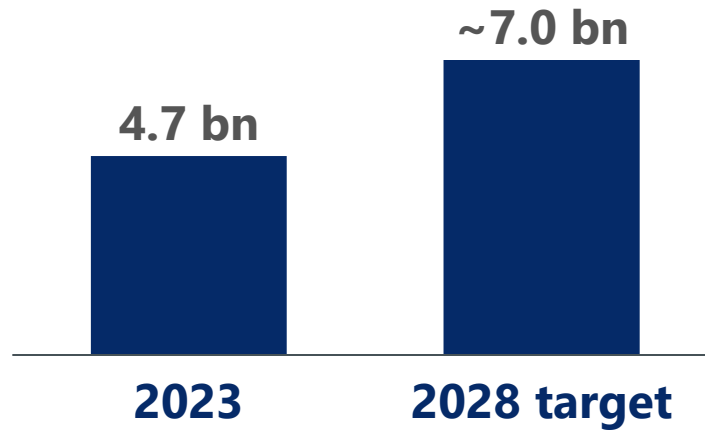


	Filling and Packaging Technology	Process Technology	Intralogistics
Revenue growth	9% – 13%	15% – 20%	5% – 10%
EBITDA margin	10.3% – 10.8%	8% – 9%	6% – 7%

# Mid-term targets 2028



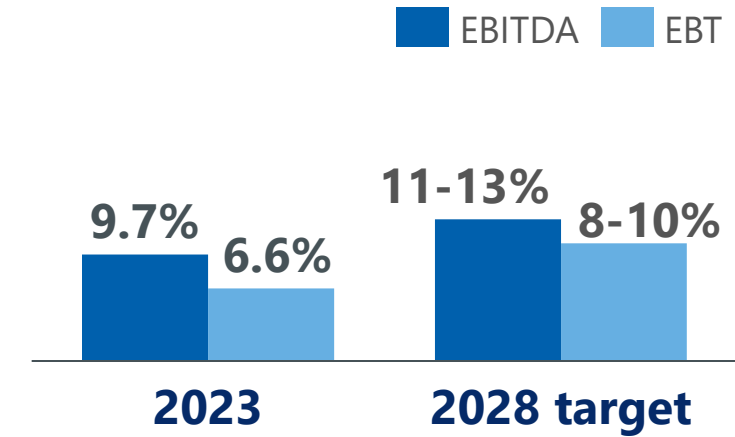
## Revenue, € billion



### Growth drivers

- 3% Global Beverage Market
- Sustainability driven solutions
- Digital and service solutions
- Potential from acquisitions Netstal, Ampco
- Innovation
- M&A

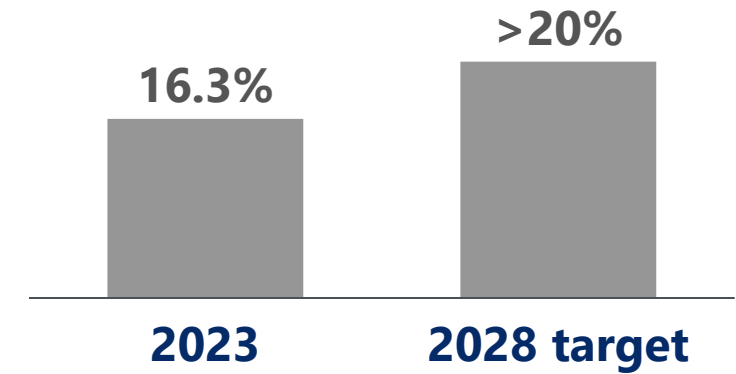
## EBITDA and EBT margin, %



### Profitability drivers

- Pricing power
- Leverage potential from global footprint and expand it further
- Innovation in products
- Cost reduction from process innovation
- Efficient project execution
- Cost discipline and selective increase in headcount

## ROCE, %



### ROCE drivers

- Increase in EBIT
- Efficient investment allocation and working capital management

## Key take aways

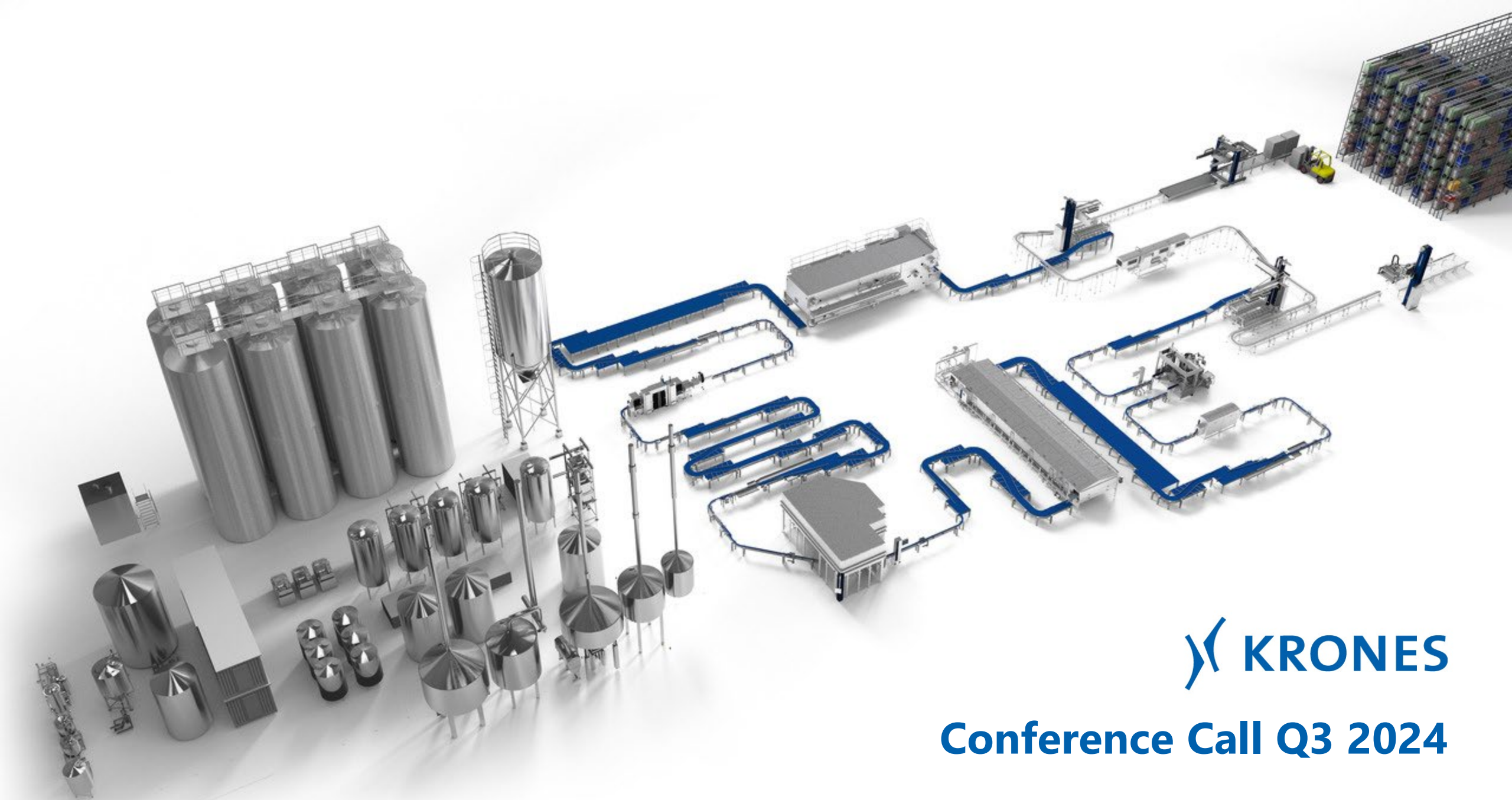


1. Krones with good figures for the first 9 months 2024. Revenue and profitability increased significantly
2. Despite critical overall economic conditions, the beverage markets are robust and the willingness of our customers to invest remains good
3. With a very high order backlog of €4.4 billion Krones has planning certainty and a capacity utilization till end of 2025
4. Further strong improvement in profitability, due to efficiency improvements and strong service business in all regions
5. Free Cash flow increased significantly in first nine months 2024
6. With the acquisition of Netstal Maschinen AG, Krones marked a major strategic milestone to close the loop for circular PET solutions and for further diversification
7. The ambitious targets for 2024 are confirmed and profitable growth strategy results in mid-term targets 2028





# Questions and Answers



 **KRONES**

**Conference Call Q3 2024**



**Thank you**  
for your attention!

# Financial calendar 2025



<b>February 20, 2025</b>	Conference Call Group Preliminary figures for the period from 1 January to December 31, 2024
<b>May 9, 2025</b>	Conference Call Group Quarterly statement for the period from 1 January to March 31, 2025
<b>May 27, 2025</b>	Annual General Meeting in Regensburg
<b>July 30, 2025</b>	Conference Call Group Quarterly statement for the period from 1 January to June 30, 2025
<b>November 7, 2025</b>	Conference Call Group Quarterly statement for the period from 1 January to September 30, 2025



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TOMORROW**

